

Let Us Finance a Home For You!



- ◆ **Buy an Existing House ... *or* Construct a New One**
- ◆ **100% Financing**
- ◆ **No Down Payment Requirement**
- ◆ **No Cost for Pre-qualification**
- ◆ **Lower Payments Based on Income**

How to Pre-qualify:

- ◆ Complete the Pre-qualification Information Sheet and the Authorization to Release Information form and return them to the Rural Development office nearest you
- ◆ Please contact the respective home ownership specialist with any questions you may have about our program

We Can Help!

RURAL DEVELOPMENT SPECIALISTS

VERMONT

<i>Chittenden, Franklin and Grand Isle Counties</i>	<i>Caledonia, Essex, Washington, Orleans and Lamoille Counties</i>	<i>Addison, Bennington, and Rutland Counties</i>
<p>Rita Weisburgh USDA Rural Development 27 Fisher Pond Road, Suite 8 St. Albans, Vermont 05478 (802) 524-6503, x 102 FAX (802) 524-4575 rita.weisburgh@vt.usda.gov</p>	<p>Steve Campbell steven.campbell@vt.usda.gov Cheryl Ducharme cheryl.ducharme@vt.usda.gov USDA Rural Development 1153 Main Street, Suite 3 St. Johnsbury, Vermont 05819 (802) 748-8746 FAX (802) 748-1621</p>	<p>Susan Poland USDA Rural Development 170 South Main Street at Trolley Square Rutland, Vermont 05701 (802) 775-8957, x 19 FAX (802) 773-4177 susan.poland@vt.usda.gov</p>
<i>Bennington, Windham, and Windsor Counties</i>		<i>Orange County</i>
<p>Deborah Boyd USDA Rural Development 28 Vernon Street, Suite 3 Brattleboro, Vermont 05301 (802) 257-7878, x 102 FAX (802) 254-3307 deborah.boyd@vt.usda.gov</p>		<p>Richard M. Roderick USDA Rural Development 250 Swiftwater Road, Suite 3 Woodsville, NH 03785 603-747-2777 x102 FAX (603) 747-3477 richard.roderick@nh.usda.gov</p>

NEW HAMPSHIRE

<i>Belknap, Hillsborough, and Merrimack Counties</i>	<i>Carroll County</i>	<i>Coos County</i>
<p>Daphne Feeney USDA Rural Development Box 317, Suite 218 10 Ferry Street, Concord, NH 03301 (603) 223-6035 FAX (603) 223-6061 daphne.feeney@nh.usda.gov</p>	<p>Anne Getchell USDA Rural Development 51 White Mountain Highway PO Box 1020 Conway, NH 03818 (603) 447-3318 FAX: (603) 447-3304 anne.getchell@nh.usda.gov</p>	<p>Janice Gingras USDA Rural Development 15 Mount Forist PO Box 330 Berlin, NH 03570 (603) 752-1328 FAX (603) 752-1354 janice.gingras@nh.usda.gov</p>
<i>Cheshire and Sullivan Counties</i>	<i>Grafton County</i>	<i>Rockingham and Strafford Counties</i>
<p>Laura Gibson USDA Rural Development 28 Vernon Street, Suite 3 Brattleboro, Vermont 05301 (802) 257-7878, x 112 FAX (802) 254-3307 laura.gibson@nh.usda.gov</p>	<p>Richard M. Roderick USDA Rural Development 250 Swiftwater Road, Suite 3 Woodsville, NH 03785 603-747-2777 x102 FAX (603) 747-3477 richard.roderick@nh.usda.gov</p>	<p>Carolyn Chute-Festervan USDA Rural Development Telly's Plaza, 241 Calef HWY Epping, NH 03042 (603) 679-4650, x 102 FAX (603) 679-4658 carolyn.chute-festervan@nh.usda.gov</p>



RURAL DEVELOPMENT

SINGLE FAMILY

502 HOUSING LOANS

PURPOSE OF THE PROGRAM

To provide direct loan funds to low income applicants who do not qualify for conventional financing.

ELIGIBILITY REQUIREMENTS

- Does not presently own adequate housing.
- Be a U.S. citizen or permanent resident.
- Personally occupy the dwelling.
- Have adequate and dependable income.
- Have a good credit history.
- Show adequate repayment ability for the loan request. The housing loan payment, real estate taxes and property insurance cannot exceed 29% of monthly gross income for very-low income applicants or 33% for low income applicants. The total debt payments, including the housing costs, cannot exceed 41% of the applicant's gross income.
- Have adjusted household income that does not exceed the RD limit listed on the attached Income Limits Worksheet.

ELIGIBLE LOAN PURPOSES

- Purchase an existing Single Family dwelling.
- Purchase a building site and construct a single family home, including manufactured homes/modular.
- New Construction must comply with accepted building codes.
- Repair qualifying single family dwellings.
- Refinanced Real Estate debts of other lenders when circumstances beyond the applicant's control show they cannot continue to make full bank payments

HOUSING REQUIREMENTS

- Homes must be modest in size and cost.
- Homes must be structurally sound and in good repair (some repairs can be made with loan funds).
- Meet RD thermal standards or be brought to these standards with loan funds:
Attic area insulated to R-38 (12" of fiberglass), Have adequate storm doors and windows.
- Homes must be located in ***rural areas***.
- Due to population, loans cannot be made in some areas. In New Hampshire: Concord, Derry, Dover, Hudson, Keene, Londonderry, Manchester, Merrimack, Nashua, Portsmouth, Rochester, Salem and parts of Goffstown and Hooksett are not eligible. In Vermont: Burlington, S. Burlington, Winooski, Essex Junction, and SE portion of Colchester are not eligible.

SITE REQUIREMENTS

- Lot must have a State and Community Acceptable on-site water and sewage disposal system, or be hooked up to municipal services. (Testing will be required on private systems).
- Lot must be a minimum adequate site.
- Lots are typically less than one acre. (Copy of zoning law needed for larger lots).
- Streets serving property must be town owned and maintained.

INELIGIBLE LOAN PURPOSES

- Finance income-producing property (in home businesses are usually acceptable).
- Finance homes with in-ground swimming pools.
- Should not be in a flood hazard area (or need life-time flood insurance).
- Finance furniture or other personal property.
- Private roads are not acceptable.
- Finance camps, existing mobile homes, duplexes, and unusual design homes.

LOAN RATES AND TERMS

- These are fixed rate, 33 year mortgages with subsidy payments based on total household income. Although the note rate is fixed, the subsidized interest is reviewed each year for possible adjustments up or down depending on household income. Payment assistance (subsidy) could be as low as 1%.

SUBSIDY RECAPTURE

- The subsidized portion of your monthly payments will accrue as a separate account. This account is subject to being repaid or recaptured at the time you sell or transfer your property to another owner. The maximum amount that could ever be recaptured will never exceed 50% of your appreciation in the property after your USDA debts, selling expenses, and any prior liens are paid off. The value appreciation is based on the appraised value and/or sales price at the time you sell or refinance. This value excludes any of your original equity or any value that resulted from improvements that you made to the property. If you refinance, you have the option to defer the final amount of recapture due (no interest will accrue if you defer payment), or you may pay it off at a 25% discount.

MAXIMUM LOAN AMOUNTS

- The Local Office has authority to approve loans whereby the total monthly debts (including proposed housing debt) cannot exceed 41% of current monthly income. In addition, the housing debt portion (mortgage payment, taxes, and insurance) typically cannot exceed 33%. RD publishes maximum purchase price limits on an annual basis. Please contact a local office for current area listings.
- Closing costs can vary and in some cases be included in the purchase of the home.

MAXIMUM INCOME LIMITS

See Attached Income Limits Worksheet

- If your income exceeds these limits, ask Rural Development about adjustments to incomes for dependent children, childcare expenses, disabled, handicapped and elderly applicants.
- You may also ask RD about our Guaranteed Housing Program administered through conventional lenders.

USDA Rural Development is an Equal Opportunity Lender, Provider and Employer.

Complaints of discrimination should be sent to:

USDA, Director, Office of Civil Rights, Washington, DC 20250-9410.



RURAL DEVELOPMENT

Please use this form to calculate your adjusted family income.

INCOME LIMITS WORKSHEET TO FIGURE YOUR ADJUSTED FAMILY INCOME

Applicant's gross income per year (Current gross weekly income x 52) include overtime _____

Co-applicant's gross income per year (Current gross weekly income x 52) include overtime _____

Other income into the home (Annual amounts) (i.e. child support, welfare, social security, bonuses, etc.) _____

Total Gross Income for Year _____

Subtract Child Care Expenses (Expenses for child care while at work) _____

Subtract \$480.00 for each child _____

Adjusted Household Income _____

If you are elderly or disabled ask the Rural Development staff for additional deductions to which you may be entitled. If your adjusted income is over the direct income limits, you may want to inquire about the Rural Development Guaranteed loan program, which has higher income limits and also does not have a down payment requirement.

All applicants must have projected (next 12 months) household income below the "Direct" income threshold to be eligible for Direct Rural Development loans.

NEW HAMPSHIRE MAXIMUM INCOME LIMITS (revised 03/03/05)

County	1 PERSON	2 PEOPLE	3 PEOPLE	4 PEOPLE	5 PEOPLE	6 PEOPLE
Belknap, Carroll, Cheshire, Coos, Grafton and Sullivan	33,750	38,600	43,400	48,250	52,100	55,950
Hillsborough	37,500	42,900	48,250	53,600	57,900	62,200
Merrimack	36,600	41,850	47,100	52,300	56,500	60,700
Rockingham	40,600	46,400	52,650	57,800	62,650	67,300
Strafford	38,300	43,800	49,250	54,700	59,100	63,500

*Loans cannot be made in Concord, Derry, Dover, Hudson, Keene, Londonderry, Manchester, Merrimack, Nashua, Portsmouth, Rochester, Salem and parts of Goffstown and Hooksett, due to population density.

VERMONT MAXIMUM INCOME LIMITS (revised 03/03/05)

County	1 PERSON	2 PEOPLE	3 PEOPLE	4 PEOPLE	5 PEOPLE	6 PEOPLE
Addison	33,550	38,350	43,150	47,900	51,750	55,600
Bennington	31,600	36,100	40,600	45,100	48,750	52,350
Burlington MSA	38,650	44,150	49,700	55,200	59,600	64,050
Caledonia, Essex, Franklin, Grand Isle, Lamoille, Orange, Orleans and Rutland	31,250	35,700	40,200	44,650	48,200	51,800
Chittenden	40,600	46,400	52,200	58,000	62,650	67,300
Washington	35,050	40,050	45,050	50,100	54,100	58,100
Windham	32,850	36,550	41,000	45,700	49,350	53,000
Windsor	33,250	38,000	42,750	47,500	51,300	55,100

*The boundaries of the Burlington Metropolitan Statistical Area (MSA) include parts of Franklin, Grand Isle and Chittenden counties, specifically the towns of Grand Isle, South Hero, Georgia, Charlotte, Colchester, Essex, Fairfax, Hinesburg, Jericho, Milton, Richmond, St. Albans City and Town, St. George, Shelburne, Swanton and Williston. Loans cannot be made in Burlington, South Burlington, Winooski, the southeastern part of Colchester, and Essex Junction, due to population density.

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USDA, Director, Office of Civil Rights, Washington, DC 20250-9410.



RURAL DEVELOPMENT

Please return this form to the Specialist in your area listed on the attached sheet.

502 PRE-QUALIFICATION INFORMATION

Applicant #1			SS#			Age	
Applicant #2			SS#			Age	
Mailing Address			Town		State	Zip	
Home Phone			Work Phone				
Do you have a Section 8 Voucher?	Y/N	In What Town(s) Do You Want to Live?					

MONTHLY EMPLOYMENT INCOME FOR ALL APPLICANTS

(If seasonal or self employed please contact us):

\$

OTHER MONTHLY INCOME:

Food Stamps	\$	AFDC/TANF	\$	SS/SSI	\$	Pension	\$	Other	\$
Foster Care	\$	State Public Assistance	\$	Child Support/Alimony	\$				

OTHER HOUSEHOLD MEMBERS:

Other Adults		Age	Income	\$
Other Adults		Age	Income	\$
Children		Age		
Children		Age		
Children		Age		
Foster Child/Adult		Age		

ASSETS:

Checking Account Balance	\$	Savings Account Balance	\$
Stocks, Bonds, CD's	\$	IRA Account Balance	\$

DEBTS:

	Monthly	Balance		
Rent/Non-RHS House Payment	\$	\$	Real Estate Insurance	\$
Car/Truck Debt	\$	\$	Real Estate Tax	\$
Car/Truck Debt	\$	\$	Child Care Costs	\$
Other Vehicles/Equipment	\$	\$	Child Support Paid Out	\$
Other Debts	\$	\$	Un-reimbursed Medical	\$
Other Debts	\$	\$	Other RHS Loans/Grants	Yes No

- This does not constitute an application for financing. It is for your informational purposes only.
- SIGN AND RETURN THE ATTACHED "AUTHORIZATION TO RELEASE INFORMATION" FORM.

**United States Department of Agriculture
Rural Development
Rural Housing Service**

AUTHORIZATION TO RELEASE INFORMATION

TO: _____

RE: _____

Account or Other Identifying Number

Name of Customer

I have applied for or obtained a loan or grant from the Rural Housing Service (RHS), part of the Rural Development mission area of the United States Department of Agriculture. As part of the process or in considering me for interest credit, payment assistance, or other servicing assistance on such loan, RHS may verify information contained in my request for assistance and in other documents required in connection with the request.

I authorize you to provide to RHS for verification purposes the following applicable information:

- Past and present employment or income records.
- Bank account, stock holdings, and any other asset balances.
- Past and present landlord references.
- Other consumer credit references.

If the request is for a new loan or grant, I further authorize RHS to order a consumer credit report and verify other credit information.

I understand that under the Right to Financial Privacy Act of 1978, 12 U.S.C. 3401, et seq., RHS is authorized to access my financial records held by financial institutions in connection with the consideration or administration of assistance to me. I also understand that financial records involving my loan and loan application will be available to RHS without further notice or authorization, but will not be disclosed or released by RHS to another Government agency or department or used for another purpose without my consent except as required or permitted by law.

This authorization is valid for the life of this loan.

The recipient of this form may rely on the Government's representation that the loan is still in existence.

The information RHS obtains is only to be used to process my request for a loan or grant, interest credit, payment assistance, or other servicing assistance. I acknowledge that I have received a copy of the Notice to Applicant Regarding Privacy Act Information. I understand that if I have requested interest credit or payment assistance, this authorization to release information will cover any future requests for such assistance and that I will not be re-notified of the Privacy Act information unless the Privacy Act information has changed concerning use of such information.

A copy of this authorization may be accepted as an original.

Your prompt reply is appreciated.

Signature

Date _____

Co-Applicant

Date _____

RHS Is an Equal Opportunity Lender
SEE ATTACHED PRIVACY ACT NOTICE

NOTICE TO APPLICANT REGARDING PRIVACY ACT INFORMATION

The information request on this form is authorized to be collected by the Rural Housing Service (RHS), Rural Business-Cooperative Services (RBS), Rural Utilities Service (RUS) or the Farm Service Agency (FSA) ("the agency") by title V of the Housing Act of 1949, as amended (42 U.S.C. 1471 et seq.) or by the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.), or by other laws administered by RHS, RBS, RUS or FSA. Disclosure of information requested is voluntary. However, failure to disclose certain items of information requested, including your Social Security Number or Federal Identification Number, may result in a delay in the processing of an application or its rejection. Information provided may be used outside of the agency for the following purposes:

1. When a record on its face, or in conjunction with other records, indicates a violation or potential violation of law, whether civil, criminal or regulatory in nature, and whether arising by general statute or particular program statute, or by regulation, rule, or order issued Pursuant thereto, disclosure may be made to the appropriate agency, whether Federal, foreign, state, local, or tribal, or other public authority responsible for enforcing, investigating or prosecuting such violation or charged with enforcing or implementing the statute, or rule, regulation, or order issued Pursuant thereto, if the information disclosed is relevant to any enforcement, regulatory, investigative, or prosecutive responsibility of the receiving entity.
2. A record from this system of records may be disclosed to a Member of Congress or to a Congressional staff member in response to an inquiry of the Congressional office made at the written request of the constituent about whom the record is maintained,
3. Disclosures may be made of names, home addresses, social security numbers, and financial information to business firms in a trade area that buy chattel or crops or sell them for commission. This is in order that the agency may benefit from the purchaser notification provisions of section 1324 of the Food Security Act of 1985 (7 U.S.C. 163(c)). The Act requires that potential purchasers of farm commodities must be advised ahead of time that a lien exists in order for the creditor to perfect its lien against such purchases.
4. Disclosures may be made from this system to consumer reporting agencies as defined in the Fair Credit Reporting Act (15 U.S.C. 1681a(f)) Federal Claims Collection Act (31 U.S.C. 3701(a)(3)).
5. Disclosure of the name, home address, and information concerning default on loan repayment when the default involves a security interest in tribal allotted or trust land Pursuant to 42 U.S.C. 1479(d), liquidation may be pursued only after offering to transfer the account to an eligible tribal member, the tribe, or the Indian Housing Authority serving the tribe(s).
6. Referral of names, home addresses, social security numbers, and financial information to a collection or servicing contractor, financial institution, or a local State, or Federal agency, when the agency determines such referral is appropriate for servicing or collecting the borrower's account or has provided for in contracts with servicing or collection agencies.
7. It shall be a routine use of the records in this system of records to disclose them in a proceeding before a court or adjudicative body, when: (a) the agency or any component thereof or (b) any employee of the agency in his or her official capacity; or (c) any employee of the agency in his or her individual capacity where the agency has agreed to represent the employee; or (d) the United States is a party to litigation or has an interest in such litigation, and by careful review, the agency determines that the records are both relevant and necessary to the litigation, provided; however, that in each case the agency determines that disclosure of the records is a use of the information contained in the records that is compatible, with the purpose for which the agency collected the records.
8. Referral of name, home address, and financial information for selected borrowers to financial consultants, advisors, lending institutions, packagers, agents, and private or commercial credit sources, when the agency determines such referral is appropriate to encourage the borrower to refinance their RHS indebtedness as required by title V of the Housing Act of 1949, as amended (42 U.S.C. 1471).
9. Referral of legally enforceable debts to the Department of the Treasury, Internal Revenue Service (IRS), to be offset against any tax refund that may become due the debtor for the tax year in which the referral is made, in accordance with the IRS regulations and under the authority contained in 31 U.S.C. 3720A.
10. Referral of information regarding indebtedness to the Defense Manpower Data Center, Department of Defense, and the United States Postal Service for the purpose of conducting computer matching programs to identify and locate individuals receiving Federal salary or benefit payments and who are delinquent in their repayment of debts owed to the U.S. Government under certain programs administered by the agency in order to collect debt under the provisions of the Debt Collection Act of 1982 (5 U.S.C. 5514) by voluntary repayment, administrative or salary offset procedures, or by collection agencies.
11. Referral of names, home addresses, and financial information to lending institutions when the agency determines the individual may be financially capable of qualifying for credit with or without a guarantee.
12. Disclosure of names, home addresses, social security numbers, and financial information to lending institutions that have a lien against the same property as the agency for the purpose of the collection of the debt by the agency or the other lender. These loans can be under the direct and guaranteed loan programs.
13. Referral to private attorneys under contract with either the agency or with the Department of Justice for the purpose of foreclosure and possession actions and collection of past due accounts, in connection with the agency.
14. It shall be a routine use of the records in this system of records to disclose them to the Department of Justice when: (a) The agency or any component thereof or (b) any employee of the agency in his or her official capacity where the Department of Justice has agreed to represent the employee; or (c) the United States Government, is a party to litigation or has an interest in such litigation, and by careful review, the agency determines that the records are both relevant and necessary to the litigation and the use of such records by the Department of Justice is therefore deemed by the agency to be for a purpose that is compatible with the purpose for which the agency collected the records.
15. Referral of names, home addresses, social security numbers, and financial information to the Department of Housing and Urban Development (HUD) as a record of location utilized by Federal agencies for an automatic credit prescreening system.
16. Referral of names, home addresses, social security numbers, and financial information to the Department of Labor, state wage information collection agencies, and other Federal, state, and local agencies, as well as those responsible for verifying information furnished to qualify for Federal benefits, to conduct wage and benefit matching through manual or automated means, for the purpose of determining compliance with Federal regulations and appropriate servicing actions against those not entitled to program benefits, including possible recovery of improper benefits.
17. Referral of names, home addresses, and financial information to financial consultants, advisors, or underwriters, when the agency determines such referral is appropriate for developing packaging and marketing strategies involving the sale of agency loan assets.